

United States Bankruptcy Court
DISTRICT OF NEVADA

Voluntary Petition

Name of Debtor (if individual, enter Last, First, Middle): ShengdaTech, Inc.	Name of Joint Debtor (Spouse) (Last, First, Middle):
All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names): None	All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names):
Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN)/Complete EIN (if more than one, state all): 26-2522031	Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN)/Complete EIN (if more than one, state all):
Street Address of Debtor (No. and Street, City, and State): c/o Lionel Sawyer & Collins, Ltd. 50 W. Liberty Street; Suite 1100 Reno, Nevada ZIP CODE 89501	Street Address of Joint Debtor (No. and Street, City, and State): ZIP CODE
County of Residence or of the Principal Place of Business: Washoe County	County of Residence or of the Principal Place of Business:
Mailing Address of Debtor (if different from street address): ZIP CODE	Mailing Address of Joint Debtor (if different from street address): ZIP CODE

Location of Principal Assets of Business Debtor (if different from street address above):

Unit 2003, East Tower, Zhong Rong Heng Rui International Plaza, 620 Zhang Yang Road, Pudong District, Shanghai 86-21-58359979

ZIP CODE 200122

Type of Debtor (Form of Organization) (Check one box.) <input type="checkbox"/> Individual (includes Joint Debtors) <i>See Exhibit D on page 2 of this form.</i> <input checked="" type="checkbox"/> Corporation (includes LLC and LLP) <input type="checkbox"/> Partnership <input type="checkbox"/> Other (If debtor is not one of the above entities, check this box and state type of entity below.)	Nature of Business (Check one box.) <input type="checkbox"/> Health Care Business <input type="checkbox"/> Single Asset Real Estate as defined in 11 U.S.C. § 101(51B) <input type="checkbox"/> Railroad <input type="checkbox"/> Stockbroker <input type="checkbox"/> Commodity Broker <input type="checkbox"/> Clearing Bank <input checked="" type="checkbox"/> Other Tax-Exempt Entity (Check box, if applicable.) <input type="checkbox"/> Debtor is a tax-exempt organization under Title 26 of the United States Code (the Internal Revenue Code).	Chapter of Bankruptcy Code Under Which the Petition is Filed (Check one box.) <input type="checkbox"/> Chapter 7 <input type="checkbox"/> Chapter 9 <input checked="" type="checkbox"/> Chapter 11 <input type="checkbox"/> Chapter 12 <input type="checkbox"/> Chapter 13 <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Main Proceeding <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding Nature of Debts (Check one box.) <input type="checkbox"/> Debts are primarily consumer debts, defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or house- hold purpose." <input checked="" type="checkbox"/> Debts are primarily business debts
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Filing Fee (Check one box.)

- ☒ Full Filing Fee attached.
- ☐ Filing Fee to be paid in installments (applicable to individuals only). Must attach
signed application for the court's consideration certifying that the debtor is
unable to pay fee except in installments. Rule 1006(b). See Official Form 3A.
- ☐ Filing Fee waiver requested (applicable to chapter 7 individuals only). Must
attach signed application for the court's consideration. See Official Form 3B.

Chapter 11 Debtors

Check one box:

- ☐ Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D).
- ☒ Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D).

Check if:

- ☐ Debtor's aggregate noncontingent liquidated debts (excluding debts owed to
insiders or affiliates) are less than \$2,343,300 (amount subject to adjustment
on 4/01/13 and every three years thereafter).

Check all applicable boxes:

- ☐ A plan is being filed with this petition.
- ☐ Acceptances of the plan were solicited prepetition from one or more classes
of creditors, in accordance with 11 U.S.C. § 1126(b).

Statistical/Administrative Information

- ☒ Debtor estimates that funds will be available for distribution to unsecured creditors.
- ☐ Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for
distribution to unsecured creditors.

THIS SPACE IS FOR
COURT USE ONLY

Estimated Number of Creditors

<input type="checkbox"/> 1-49	<input type="checkbox"/> 50-99	<input type="checkbox"/> 100-199	<input checked="" type="checkbox"/> 200-999	<input type="checkbox"/> 1,000-5,000	<input type="checkbox"/> 5,001-10,000	<input type="checkbox"/> 10,001-25,000	<input type="checkbox"/> 25,001-50,000	<input type="checkbox"/> 50,001-100,000	<input type="checkbox"/> Over 100,000
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Estimated Assets

<input type="checkbox"/> \$0 to \$50,000	<input type="checkbox"/> \$50,001 to \$100,000	<input type="checkbox"/> \$100,001 to \$500,000	<input type="checkbox"/> \$500,001 to \$1 million	<input type="checkbox"/> \$1,000,001 to \$10 million	<input type="checkbox"/> \$10,000,001 to \$50 million	<input type="checkbox"/> \$50,000,001 to \$100 million	<input checked="" type="checkbox"/> \$100,000,001 to \$500 million	<input type="checkbox"/> \$500,000,001 to \$1 billion	<input type="checkbox"/> More than \$1 billion
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Estimated Liabilities

<input type="checkbox"/> \$0 to \$50,000	<input type="checkbox"/> \$50,001 to \$100,000	<input type="checkbox"/> \$100,001 to \$500,000	<input type="checkbox"/> \$500,001 to \$1 million	<input type="checkbox"/> \$1,000,001 to \$10 million	<input type="checkbox"/> \$10,000,001 to \$50 million	<input type="checkbox"/> \$50,000,001 to \$100 million	<input checked="" type="checkbox"/> \$100,000,001 to \$500 million	<input type="checkbox"/> \$500,000,001 to \$1 billion	<input type="checkbox"/> More than \$1 billion
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Voluntary Petition <i>(This page must be completed and filed in every case.)</i>		Name of Debtor(s): ShengdaTech, Inc.	
All Prior Bankruptcy Cases Filed Within Last 8 Years (If more than two, attach additional sheet.)			
Location Where Filed:	Case Number:	Date Filed:	
Location Where Filed:	Case Number:	Date Filed:	
Pending Bankruptcy Case Filed by any Spouse, Partner, or Affiliate of this Debtor (If more than one, attach additional sheet.)			
Name of Debtor:	Case Number:	Date Filed:	
District:	Relationship:	Judge:	
Exhibit A (To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11.) <input checked="" type="checkbox"/> Exhibit A is attached and made a part of this petition.		Exhibit B (To be completed if debtor is an individual whose debts are primarily consumer debts.) I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I have delivered to the debtor the notice required by 11 U.S.C. § 342(b). X _____ Signature of Attorney for Debtor(s) (Date)	
Exhibit C			
Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety?			
<input type="checkbox"/> Yes, and Exhibit C is attached and made a part of this petition.			
<input checked="" type="checkbox"/> No.			
Exhibit D			
(To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.)			
<input type="checkbox"/> Exhibit D completed and signed by the debtor is attached and made a part of this petition.			
If this is a joint petition:			
<input type="checkbox"/> Exhibit D also completed and signed by the joint debtor is attached and made a part of this petition.			
Information Regarding the Debtor - Venue (Check any applicable box.)			
<input checked="" type="checkbox"/> Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.			
<input type="checkbox"/> There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.			
<input type="checkbox"/> Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District.			
Certification by a Debtor Who Resides as a Tenant of Residential Property (Check all applicable boxes.)			
<input type="checkbox"/> Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.)			
_____ (Name of landlord that obtained judgment)			
_____ (Address of landlord)			
<input type="checkbox"/> Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and			
<input type="checkbox"/> Debtor has included with this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition.			
<input type="checkbox"/> Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(1)).			

B1 (Official Form) 1 (4/10)		Page 3
Voluntary Petition <i>(This page must be completed and filed in every case.)</i>		Name of Debtor(s): ShengdaTech, Inc.
Signatures		
<p style="text-align: center;">Signature(s) of Debtor(s) (Individual/Joint)</p> <p>I declare under penalty of perjury that the information provided in this petition is true and correct.</p> <p>[If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12 or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.</p> <p>[If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by 11 U.S.C. § 342(b).</p> <p>I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.</p> <p>X _____ Signature of Debtor</p> <p>X _____ Signature of Joint Debtor</p> <p>_____ Telephone Number (if not represented by attorney)</p> <p>_____ Date</p>	<p style="text-align: center;">Signature of a Foreign Representative</p> <p>I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding and that I am authorized to file this petition.</p> <p>(Check only one box.)</p> <p><input type="checkbox"/> I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by 11 U.S.C. § 1515 are attached.</p> <p><input type="checkbox"/> Pursuant to 11 U.S.C. § 1511, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.</p> <p>X _____ (Signature of Foreign Representative)</p> <p>_____ (Printed Name of Foreign Representative)</p> <p>_____ Date</p>	
<p style="text-align: center;">Signature of Attorney*</p> <p>X <u>Bob L. Olson</u> Signature of Attorney for Debtor(s)</p> <p><u>Bob L. Olson</u> Printed Name of Attorney for Debtor(s)</p> <p><u>Greenberg Traurig, LLP</u> Firm Name</p> <p><u>3773 Howard Hughes Highway</u> Suite 400 North Las Vegas, Nevada 89169 Address</p> <p><u>(702) 792-3773</u> Telephone Number</p> <p><u>August 19, 2011</u> Date</p> <p><small>*In a case in which § 707(b)(4)(D) applies, this signature also constitutes a certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect.</small></p>	<p style="text-align: center;">Signature of Non-Attorney Bankruptcy Petition Preparer</p> <p>I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19 is attached.</p> <p>_____ Printed Name and title, if any, of Bankruptcy Petition Preparer</p> <p>_____ Social-Security number (If the bankruptcy petition preparer is not an individual, state the Social-Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.) (Required by 11 U.S.C. § 110.)</p> <p>_____ Address</p> <p>X _____ Date</p> <p>Signature of bankruptcy petition preparer or officer, principal, responsible person, or partner whose Social-Security number is provided above.</p> <p>Names and Social-Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual.</p> <p>If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.</p> <p><small>A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both. 11 U.S.C. § 110; 18 U.S.C. § 156.</small></p>	
<p style="text-align: center;">Signature of Debtor (Corporation/Partnership)</p> <p>I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.</p> <p>The debtor requests the relief in accordance with the chapter of title 11, United States Code, specified in this petition.</p> <p>X <u>A. Carl Mudd</u> Signature of Authorized Individual</p> <p><u>A. Carl Mudd</u> Printed Name of Authorized Individual</p> <p><u>Chair, Special Committee of the Board,</u> Title of Authorized Individual <u>Chair, Audit Committee</u></p> <p><u>August 19, 2011</u> Date</p>		

B 1A (Official Form 1, Exhibit A) (9/97)

[If debtor is required to file periodic reports (e.g. forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11 of the Bankruptcy Code, this Exhibit "A" shall be completed and attached to the petition.]

United States Bankruptcy Court**District of Nevada**In re ShengdaTech, Inc.

Debtor(s)

Case No.

Chapter

11**EXHIBIT "A" TO VOLUNTARY PETITION**

1. If any of the debtor's securities are registered under Section 12 of the Securities Exchange Act of 1934, the SEC file number is 001-31937.

2. The following financial data is the latest available information and refers to the debtor's condition on September 30, 2010.

a. Total assets		\$	<u>\$295,426,018</u>	
b. Total debts (including debts listed in 2.c., below)		\$	<u>\$180,858,050</u>	
c. Debt securities held by more than 500 holders:				Approximate number of holders:
secured <input type="checkbox"/> unsecured <input checked="" type="checkbox"/> subordinated <input type="checkbox"/>	\$	<u>\$36,345,340¹</u>		Institutional Holders ²
secured <input type="checkbox"/> unsecured <input checked="" type="checkbox"/> subordinated <input type="checkbox"/>	\$	<u>\$130,000,000³</u>		Institutional Holders ⁴
secured <input type="checkbox"/> unsecured <input type="checkbox"/> subordinated <input type="checkbox"/>	\$	<u>0</u>		0
secured <input type="checkbox"/> unsecured <input type="checkbox"/> subordinated <input type="checkbox"/>	\$	<u>0</u>		0
secured <input type="checkbox"/> unsecured <input type="checkbox"/> subordinated <input type="checkbox"/>	\$	<u>0</u>		0
d. Number of shares of preferred stock			<u>0</u>	<u>0</u>
e. Number of shares common stock			<u>54,202,036</u>	<u>297</u>

Comments, if any:

3. Brief description of Debtor's business:

ShengdaTech Inc. is a leading manufacturer of nano precipitated calcium carbonate ("NPCC") in the People's Republic of China. NPCC is a functional filler used in a variety of products to enhance their value. The Company is the only supplier of NPCC products to the tire industry. In addition, ShengdaTech supplies NPCC to the PVC building material, paint, ink, PE, adhesives, latex and paper industries.

4. List the name of any person who directly or indirectly owns, controls, or holds, with power to vote, 5% or more of the voting securities of debtor:

1. Xiangzhi Chen and his wife, Fanying Kong
2. Goldman Sachs Asset Management, as manager for certain of its funds.

¹ 6.0% Unsecured Notes due 2018.

² The total number of individual holders is unknown, but may be greater than 500.

³ 6.5% Unsecured Notes due 2015.

⁴ The total number of individual holders is unknown, but may be greater than 500.

**MINUTES & RESOLUTIONS FOR MEETING
OF
THE SPECIAL COMMITTEE OF THE
BOARD OF DIRECTORS
OF
SHENGDATECH, INC.
(a Nevada corporation)**

August 19, 2011

WHEREAS, on March 4, 2011, the Board of Directors of Shengdatech, Inc. (the "Corporation") created the Special Committee of the Board of Directors ("Special Committee") to undertake an internal investigation of issues identified by KPMG arising out of its audit for the year ended December 31, 2010, and any other matter the Special Committee deemed to be appropriate;

WHEREAS, the Special Committee was granted broad powers by the Board of Directors to take any action that "the Special Committee in its sole discretions deems in the interest of the Company and its stockholders";

WHEREAS, the Special Committee conducted a telephonic meeting on August 19, 2011 during which Messrs. Mudd, Saidman and Zhang were present;

WHEREAS, the Special Committee has received reports of the status of the investigation;

WHEREAS, the Special Committee and the members of the Special Committee have obtained advice from various counsel;

WHEREAS, after due consideration of all the facts and circumstances, the Special Committee approved the following

Restructuring

RESOLVED, that, effective immediately, each officer of the Corporation is hereby removed from the office held by such individual and, without limiting the generality of the foregoing, Xiangzhi Chen is hereby removed as the President and Chief Executive Officer of the Corporation; and

RESOLVED, that, effective immediately, the Corporation shall have an officer position designated as the Chief Restructuring Officer; and

RESOLVED, that Michael Kang shall immediately be appointed as the Chief Restructuring Officer of the Corporation, with such powers and duties previously held by all officers of the Corporation, including, without limitation, the Chief Executive Officer, such other powers and duties set forth in the engagement letter by and between the Corporation and Alvarez

& Marsal, a copy of which is attached hereto (the "Engagement Letter") and such additional powers and duties as authorized by the Board; and

RESOLVED, that each and every term of the Engagement Letter is hereby approved and such Engagement Letter shall be immediately binding upon the Corporation. A. Carl Mudd is authorized and directed to negotiate the terms of, and execute such Engagement Letter on behalf of the Corporation; and

RESOLVED, that in the judgment of the Special Committee, it is desirable and in the best interests of the Corporation, its creditors and other parties in interest, that the Corporation file or cause to be filed a voluntary petition for relief under the provisions of chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Nevada in Reno, Nevada; and

RESOLVED, that A. Carl Mudd, Sheldon Saidman and the Chief Restructuring Officer shall have the authority to sign and shall immediately file on behalf of the Corporation a petition, schedules, lists, motions, applications, pleadings and other papers or documents as necessary to commence the chapter 11 bankruptcy case and obtain chapter 11 relief and to take any and all further acts and deeds that he deems necessary, proper and desirable in connection with the chapter 11 case on a go forward basis, with a view to the successful prosecution of such case; and

RESOLVED, that the law firm of Greenberg Traurig, LLP is retained as general bankruptcy counsel to represent and assist the Corporation in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Corporation's rights and obligations, including filing any pleadings. In connection therewith, the CRO is hereby authorized and directed to execute appropriate retention agreements (to the extent necessary), pay appropriate retainers and cause to be filed an appropriate application for authority to retain the services of Greenberg Traurig, LLP; and

RESOLVED, that the CRO is hereby authorized and directed to employ Skadden, Arps, Slate, Meagher & Flom LLP to continue its work in the ongoing Special Committee internal investigation and to act as Special Counsel to the Special Committee in any chapter 11 bankruptcy case authorized in these resolutions, the Jun He Law Offices to assist in all China law matters, the law firm of Conyers Dill and Pearman to assist in all BVI law matters, and PriceWaterhouseCoopers to continue its forensic accounting work necessary to the ongoing internal investigation. In connection therewith, A. Carl Mudd is hereby authorized to negotiate and execute revised retention agreements where necessary and the CRO is hereby authorized and directed to execute appropriate retention agreements (to the extent necessary), pay appropriate retainers and cause to be filed appropriate applications for authority to retain the services of the above professionals; and

RESOLVED, that the CRO is hereby authorized and directed to employ any other professionals to assist the Corporation in carrying out its duties under the Bankruptcy Code. In connection therewith, the CRO is hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers and cause to be filed an appropriate application for authority to retain the services of such other professionals as necessary; and

RESOLVED, that any and all actions taken or to be taken by the CRO with respect to and in contemplation of, the actions authorized by any of the foregoing resolutions, are hereby authorized, approved, ratified and confirmed; and

RESOLVED, that the CRO may designate others from Alvarez & Marsal as officers of the Corporation (the "Authorized Officers") and delegate any authority to act pursuant to those resolutions and carry out the powers and duties of the CRO to such Authorized Officers; and


RESOLVED, that any Authorized Officer may, for and in the name and on behalf of the Corporation, issue certificates of these Resolutions as may be necessary.

Other Corporate Matters

RESOLVED, that in order to further the orderly filing of the restructuring petition, actions will need to be taken at the level of wholly-owned subsidiary, Faith Bloom Limited ("Faith Bloom"), accordingly, each officer and director of Faith Bloom is hereby removed from the office held by such individual;

RESOLVED, that A. Carl Mudd and Sheldon Saidman are designated and hereby elected as the new directors of Faith Bloom.

IN WITNESS WHEREOF, the undersigned duly appointed independent director and Chairman of the Special Committee of ShengdaTech, Inc. does hereby certify that the aforesaid minutes and the resolutions contained therein are the true and correct minutes and resolutions duly adopted by the Special Committee of Board of Directors of the Corporation at a meeting thereof duly noticed and called, and that a signed copy of the aforesaid minutes has been filed in the minute book of the Special Committee.



A. Carl Mudd
Lead Director, Chairman, Audit Committee
Chairman, Special Committee